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*Buckley ✓*

# AMERICAN SURVEY



## A president lassoed by his own long rope

WASHINGTON DC

Call it a scandal, a crisis or merely a mess, the hostage-ransoming, money-laundering arms trade with Iran now ranks among the great presidential follies of modern times. Nobody is yet imputing to President Reagan self-serving illegality of the sort which drove Mr Nixon from the White House a dozen years ago. This president's protestations of patriotic purpose, repeated without apology this week, will probably continue to be believed. But what may not survive the latest revelations and resignations is public trust in his judgment and toleration for his detached style of leadership. Precisely because Mr Reagan is so well loved, this loss of confidence could prove even more disillusioning for the country than the fall of a politician long known as tricky Dick.

Analogy with Nixonian skulduggery became compelling on November 25th when the attorney-general, Mr Edwin Meese, revealed to an incredulous press that a small team of presidential plumbers had arranged the covert arms sales to Iran, not only to spring American hostages in Lebanon but also to generate money for the Nicaraguan contras. Some \$10m-30m from one, two or three shipments this year—even Mr Meese is still shaky on the facts—had been added to bills for American weapons, sent via Israel, which were charged at \$12m and

probably worth \$20m: the overpayment was then deposited in numbered Swiss accounts for the contras.

Contra leaders have since compounded the confusion by denying ever receiving such sums and the Israelis, in turn, have denied Mr Meese's claim that they acted not only as arms transporters but also as money launderers. Subsequent admissions that American "consultants" were involved suggest that the money went directly into financing the "private" pipeline to the contras, such as the ill-fated flight which landed Mr Eugene Hasenfus in a Nicaraguan jail. Other links to contra gun-running have been the use of the same ex-CIA airline, Southern Air Transport, to move American arms to Iran, and the central role in both Nicaraguan and Iranian arms trafficking of a National Security Council aide, now ex-aide, Lieutenant-Colonel Oliver North.

The central question, once again, is: what did the president know and when? Nothing at all about the contra transactions until November 24th, claimed Mr Meese. Before the Justice Department followed up some discrepancies in arms sales accounts over the weekend, Mr Meese said, only Colonel North had known "precisely" about the contra connection. Others who were let in on the secret were his boss, the ex-national secu-

rity adviser, Vice-Admiral John Poindexter, author of the infamous Libyan disinformation scheme, and, belatedly, Mr Poindexter's predecessor and freelance emissary to Iran, Mr Robert McFarlane. Both the admiral and the colonel resigned on Tuesday.

The National Security Council is temporarily captained by Mr Poindexter's deputy, Mr Alton Keel, pending a search for a successor and a review of the NSC's functions led by ex-Senator John Tower. Congressmen and the State Department will be pressing for the NSC to be restricted to its role of policy co-ordination and banned from operating as covert cowboys. Iran operations have now been returned to "normal channels", meaning the State Department. But further steps will be needed to revive a foreign-policy apparatus which has been reeling under the contradictions and conflicts of recent weeks. Veterans of years of guerrilla warfare between State Department and Pentagon, White House and CIA testify that never have their agencies been so directionless and demoralised.

The Iran affair is all the more damaging to foreign-policy making because it widens an existing problem of credibility arising out of Libyan disinformation, the Daniloff non-trade, the Nicaraguan non-official airlift, the confusion over the Reykjavik summit. The damage may also reach at least partly to the cabinet leaders who have been busy striking see-no-evil poses: the secretary of state, Mr George Shultz, and the Joint Chiefs of Staff, by issuing pained dissociations; the CIA chief, Mr William Casey, by playing down

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an undeniable involvement; the defence secretary, Mr Caspar Weinberger, along with the vice-president, Mr George Bush, by going to ground. None may emerge with his standing enhanced, either with his commander-in-chief or with the public. White House anger at Mr Shultz's alleged disloyalty was rekindled this week when his deputy testified to Congress that the president was mistaken in claiming that Iran had given up terrorism and indeed was indirectly implicated in the taking of three more American hostages in Beirut this autumn.

There can be no dispute that the administration violated the spirit of numerous requirements for consulting with and notifying Congress about both arms sales and covert actions. But most of these laws contain loopholes and ambiguities and, in any case, do not provide penalties for evaders. Still, Congress will put the administration through an investigative wringer and perhaps tighten these rules for the next time round.

The attorney-general said this week that the legal opinion which Mr Reagan invoked to justify his Iran arms sales applied only to shipments after the presidential finding of January 17th which certified the covert operation as "important to national security". If the Meese interpretation is correct, the finding would have superseded a ban on selling arms to a country on America's terrorist list. But it does not apply to any dealings in 1985, when the Israelis dispatched at least three shipments of American arms. Mr Meese promises to investigate possible transgressions; but Congress will not be content to allow the administration to police itself.

The other area of inquiry will be the diversion of Iranian payments to the contras, which clearly contravened the intent of the Boland amendment banning military aid to them. If the laundering was devious enough, however, Colonel North and his patrons may well have a technical alibi.

Virtually nobody accepts Mr Meese's lone-ranger theory, that contra-aid laundering was a solo performance by Colonel North. Indeed, the need to finance the contras at a time when direct military aid was banned by Congress provides another plausible motive for the arms-sales policy. A third possibility opened with the report that one of the hostages, Mr William Buckley, who died after torture last year, had been the CIA station chief in Beirut. His colleague's anxiety to get him back may also have contributed to the pressure to trade arms for hostages.

The CIA's involvement in the Iran fiasco may have been more than marginal. Newsweek says that it was on CIA authority that some \$50m-worth of advanced arms, including 2,008 TOW missiles and parts for more than 200 Hawk missile batteries, were extracted from American arsenals, while their Iranian destination was disguised. The CIA is also said to have arranged the numbered bank accounts in Switzerland, now confirmed by Mr Meese, and the arms flights on its charter airlines. All this should put the CIA director, Mr Casey, near the top of the list of candidates for White Housecleaning, though his closeness to the president will probably protect him.

The secretary of state, who appeared positively jaunty in the wake of the Pindexter removal, has never got on particularly well with Mr Reagan. Perhaps because of this, he won few lasting victories in the big policy battles, though he may have moderated some right-wing ambitions.

Mr Shultz was right about Iran, but America's allies find it galling that he was dissuading them from selling weapons to the ayatollahs while knowing that his government was doing that very thing. He may well be the only man Mr Reagan can rely on in the short term to put his foreign-policy machine back together. Still, his strained relations with the Reagans continue to make it possible that he will depart after a diplomatic interval.

One key figure who cannot escape blame for the Iran disaster is Mr Donald Regan, the White House chief of staff. On the weekend before the contra complication emerged, Mr Reagan's inner circle of California friends was said to be pushing hard for Mr Regan's removal, with the favoured replacement a former secretary of transport, Mr Drew Lewis. This week Mr Regan was claiming to have been as ignorant of the contra dealings as everybody else.

The most invisible member of the White House throughout the Iran episode has been Mr George Bush. His only utterance during the Iran affair has been a staff statement that he had "nothing to add". As the leading prospective Republican candidate for 1988, Mr Bush's campaign is bound to be set back, since he depends on reflected glory from a now tarnished president. And, given his security aide's involvement in the contra aid programme, there remains a possibility that Iranian tracks will lead to the vice-presidential office.

Or to the Oval one. Even if Mr Reagan can be proven to have remained benignly blind to the goings-on in his White House during the past 18 months, that in itself is a condemnation of his style of rule. As the majority leader of the House, Mr Jim Wright, put it, "If the president didn't know something as profoundly consequential as this, then something is profoundly wrong." Even before this week's bombshell, not a single congressman or public figure of any prominence had offered Mr Reagan unequivocal support. The president was and is, as Mr Henry Kissinger put it, "all alone on the parapet".